Daily Credit Snapshot

Market Commentary

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- US equities sold off broadly at the start of September as a deepening global bond rout and renewed escalation in the US-Iran conflict drove oil prices sharply higher and pushed Treasury yields highs. The US launched fresh strikes against Islamic Revolutionary Guard Corps (IRGC) targets in Iran, while Tehran warned that it could prevent oil exports from the Gulf. US Treasury Secretary Scott Bessent also signaled that additional sanctions targeting Iranian banks could be announced this week. Against this backdrop, WTI crude surged 5.2% to USD90.22/bbl, while Brent jumped 4.6% to USD94.65/bbl. The selloff in global bonds was equally striking: Japan's 10-year government bond yield reached 3.0% for the first time since 1996, the UK 30-year yield climbed to its highest level since 1998, and Germany's 10-year yield rose to a 15-year high. Meanwhile, Eurozone headline inflation accelerated to 3.3% y/y in August from 2.9% in July, largely reflecting higher energy costs. Encouragingly, core inflation eased to 2.4% y/y from 2.5%, while services inflation—the largest component of the consumer basket—slowed to 3.0% from 3.3%. The divergence suggests that the latest increase in headline inflation is still primarily an energy-driven shock rather than a broadening of underlying price pressures. Nevertheless, with headline inflation back above 3%, a sustained rise in energy prices would increase pressure on the ECB to respond. Markets have already largely priced in a September rate hike, shifting the key question from whether the ECB hikes in September to what comes next. Activity data were also relatively resilient. S&P Global's Eurozone Manufacturing PMI rose to 52.7 in August from 51.9 in July, its strongest reading since May 2022, although slightly below the preliminary estimate of 52.8. The improvement was supported by a rebound in European new orders, while continued strength in global demand for AI-related hardware remained an important tailwind for manufacturing activity.

- The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading 2-5bps higher, belly tenors trading 5-7bps higher, and the 10Y tenor trading 7bps higher.

- There were no notable flows.

- US Investment Grade traded widened by 1bps to 79bps, and US High Yield spreads widened by 4bps to 265bps respectively. Bloomberg Global Contingent Capital spreads widened by 2bps to 203bps.

- Bloomberg Asia USD Investment Grade spread widened by 1bps to 56bps, and the Asia USD High Yield spreads tightened by 3bps to 318bps. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
CapitaLand Group Pte Ltd	CAPLSP	• **CLD-UOLSP JV submitted highest bid of SGD1.4bn for New Upper Changi site:** The bid at SGD1,537 psf ppr for the site that can develop 1,010 units came in at 13.8% above the next highest bid, and above the SGD1,330 psf ppr price that was paid for a nearby Bedok Rise site in November 2025. • **Extending the partnership with UOLSP:** the acquisition adds to the 1,268 unit Thomson View redevelopment, 830-unit Hougang Central residential development, which are projects also being undertaken together with UOL Group Ltd and/or its related entities. CLD is a wholly-owned subsidiary of CAPLSP. • **Some pressure on credit metrics but supports capital redeployment towards Singapore:** CAPLSP's **SGD1.59bn share of JV capital commitments as at end-2025** will likely increase if the tender is awarded to the consortium, although the eventual impact will depend on CLD's ownership share and the project's funding structure. The high land rate also raises the selling-price and execution thresholds required to achieve satisfactory development margins. That said, the investment supports further capital deployment into Singapore, where recent residential projects have generally achieved healthy sales, and may help rebalance CAPLSP's development exposure away from China. CAPLSP had recorded SGD1.03bn of foreseeable losses as at end-2025, which is likely largely attributable to its assets in China. Overall, we view the development as mildly negative for near-term credit metrics but supportive of longer-term pipeline visibility and geographic rebalancing. (Company, OCBC) Latest report: Credit Update – 13 Augst 2026
Macquarie Group Ltd	MQGAU	• CLD-UOLSP JV submitted highest bid of SGD1.4bn for New Upper Changi site: The bid at SGD1,537 psf ppr for the site that can develop 1,010 units came in at 13.8% above the next highest bid, and above the SGD1,330 psf ppr price that was paid for a nearby Bedok Rise site in November 2025. • Extending the partnership with UOLSP: the acquisition adds to the 1,268 unit Thomson View redevelopment, 830-unit Hougang Central residential development, which are projects also being undertaken together with UOL Group Ltd and/or its related entities. CLD is a wholly-owned subsidiary of CAPLSP. • Some pressure on credit metrics but supports capital redeployment towards Singapore: CAPLSP's SGD1.59bn share of JV capital commitments as at end-2025 will likely increase if the tender is awarded to the consortium, although the eventual impact will depend on CLD's ownership share and the project's funding structure. The high land rate also raises the selling-price and execution thresholds required to achieve satisfactory development margins. That said, the investment supports further capital deployment into Singapore, where recent residential projects have generally achieved healthy sales, and may help rebalance CAPLSP's development exposure away from China. CAPLSP had recorded SGD1.03bn of foreseeable losses as at end-2025, which is likely largely attributable to its assets in China. Overall, we view the development as mildly negative for near-term credit metrics but supportive of longer-term pipeline visibility and geographic rebalancing. (Company, OCBC) Latest report: Credit Update – 26 August 2026

New Issues:

- The total issuances in the APAC USD and DM IG markets were both zero yesterday (prior day: USD600mn and zero yesterday) (Bloomberg, OCBC)

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
01 Sep	CMT MTN Pte Ltd (guarantor: CapitaLand Integrated Commercial Trust)	Green, Fixed	SGD	400	5	2.646%

Mandates:

- Tencent Music Entertainment Group may issue USD-denominated 5Y and/or 10Y bonds.

Key Market Movements

	2-Sep	1W chg (bps)	1M chg (bps)		2-Sep	1W chg	1M chg
iTraxx Asiax IG	67	-0	-3	**Brent Crude Spot ($/bbl)**	95.5	8.8%	6.0%
				Gold Spot ($/oz)	4,322	-5.9%	6.6%
iTraxx Japan	56	-1	-6	**CRB Commodity Index**	417	3.9%	8.4%
iTraxx Australia	68	0	-3	**S&P Commodity Index - GSCI**	734	5.1%	7.0%
CDX NA IG	51	1	-1	**VIX**	16.3	5.8%	2.2%
CDX NA HY	108	-0	-0	**US10Y Yield**	4.80%	16bp	7bp
iTraxx Eur Main	52	1	1				
iTraxx Eur XO	252	6	1	**AUD/USD**	0.714	-0.4%	2.1%
iTraxx Eur Snr Fin	54	1	1	**EUR/USD**	1.158	-0.6%	0.6%
iTraxx Eur Sub Fin	89	3	2	**USD/SGD**	1.273	-0.1%	0.7%
				AUD/SGD	0.909	0.3%	-1.3%
USD Swap Spread 10Y	-38	-0	8	**ASX200**	8,973	-1.7%	-0.0%
USD Swap Spread 30Y	-69	-1	10	**DJIA**	52,767	-1.5%	0.5%
				SPX	7,631	-0.6%	1.9%
China 5Y CDS	35	-0	-3	**MSCI Asiax**	1,143	0.8%	3.6%
Malaysia 5Y CDS	33	-0	-3	**HSI**	25,207	-1.7%	-2.6%
Indonesia 5Y CDS	85	1	-8	**STI**	5,721	-0.0%	1.6%
Thailand 5Y CDS	40	0	-2	**KLCI**	1,702	-2.0%	-1.4%
Australia 5Y CDS	13	-1	-1	**JCI**	6,581	2.7%	5.5%
				EU Stoxx 50	6,369	-1.3%	0.2%

Source: Bloomberg

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